GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:444
ANSWERED ON:03.02.2017
Tax Treaties
Sawaikar Shri Advocate Narendra Keshav

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government is contemplating to revise the tax treaties with partner countries to enable the Central Bureau of Investigation (CBI) and Enforcement Directorate (ED) to use the data for prosecution of those who have stashed black money abroad and if so, the details thereof;

(b) whether all the partner countries have agreed to the proposal; and

(c) if so, the time by which the proposed tax treaties will be finalised?

Answer

The MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SANTOSH KUMAR GANGWAR)

(a) Yes, Madam. Treaty partner countries have been requested to modify the tax treaties, so as to explicitly include provisions that will enable information exchanged for tax purposes to be utilized for other purposes, including criminal proceedings in non-tax matters. 40 treaties for avoidance of double taxation have been revised accordingly. In addition, India has also signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which also similarly facilitates exchange of information. These developments enable use of such information by non-tax agencies, subject to agreement by the Competent Authorities of the Requested Contracting State.

(b) No, Madam. All treaty partner countries have not agreed to the proposal.

(c) Since a bilateral treaty cannot be modified unless both treaty partners agree, it is not possible to provide any time frame for this purpose